

HOUSE BILL 672

By Love

AN ACT to amend Tennessee Code Annotated, Section 49-13-104(8) and Section 49-13-136(c), relative to charter school facilities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-13-104(11), is amended by adding the following language to the subdivision:

"Underutilized or vacant property" includes any building or facility that houses a school in which the total number of student enrolled is less than seventy percent (70%) of the school's enrollment capacity.

SECTION 2. Tennessee Code Annotated, Section 49-13-136(c), is amended by deleting the language in its entirety and by substituting instead the following:

(c)

(1) No later than October 1, in any LEA in which one (1) or more charter schools operates, the LEA shall catalog each year all underutilized and vacant properties owned or operated by the LEA. The LEA shall submit a comprehensive listing of all such properties to the department of education, the comptroller of the treasury, and the Tennessee charter school association.

(2) An LEA that has underutilized and vacant properties shall make the underutilized and vacant properties available for use, to include a shared occupancy by charter schools. After notification by the LEA, the charter school may request and the LEA must schedule a meeting to discuss transference of the vacant and underutilized facilities to the charter school for full time or temporary occupancy. The LEA and charter school may come to agreement regarding transference of all or a portion of the underutilized or vacant properties

and may enter into a contractual arrangement that shall at a minimum include the following provisions:

- (A) Rental or lease fees;
- (B) The party responsible for any renovation and costs of renovation;
- (C) Maintenance responsibility and costs; and
- (D) Term of the arrangement.

(3) The report also shall include any vacant or underutilized property for which the LEA has a specific planned purpose between the time the report is submitted and the end of the following full school year and also shall identify the specific purpose. The succeeding reports, as filed by the following October 1, shall identify the status of implementation of that planned purpose. The department or comptroller of the treasury has the authority to require further explanation from the LEA regarding the status of such property, and following the explanation has the authority to require the property be made available for use by charter schools authorized by the LEA under subdivision (c)(2).

(4) Any lease arrangement executed between a charter school and an LEA shall not reflect any outstanding bonded debt on the underutilized or vacant property, except as agreed upon to reflect any necessary costs associated with the occupation or remodeling of the facility.

(5) If the charter school and LEA are unable to agree on the arrangement, either party may, in writing, request that the differences be submitted to a an arbitrator. Either party may designate three (3) potential arbitrators from the American Arbitration Association. The parties shall then agree upon one (1) of the three (3) arbitrators so designated. The arbitrator shall meet with the parties or their representatives, or both, either jointly or separately, make inquiries and investigations, hold hearings, and shall take such other steps as the arbitrator deems appropriate. Any findings of fact or recommended terms of settlement shall be submitted in writing to the parties. Upon completion of the arbitration, the arbitration is final and binding. The parties shall stipulate to no additional recourses or actions. The costs for the services of the

arbitrator shall be borne by the unsuccessful party. The unsuccessful party must repay the other side's fees and costs, including the other side's share of the arbitration fee.

Each side must pay its own lawyer fees.

SECTION 3. This act shall take effect July 1, 2013, the public welfare requiring it.